
Coronavirus impact: Demand for houses in Tier II towns accelerates

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Analysts point out that the trend to move to Tier II & III towns has been there for the last six-seven years as economic growth trickled to smaller towns and the digital economy proliferated.



However, lockdowns and health concerns due to Covid-19 coupled with company's opting for work from home further fuelled the trend

In July this year, Jagdish Sharan (37) moved back to his hometown, Pratapgarh to take care of his ailing father as Covid made things difficult to manage from Delhi.

similar to any gated society in NCR," said the graphic designer, now working from home (WFH), for a digital marketing firm based in Indore.

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month," he said.

Both Sharan and Patil are part of a growing list of entrepreneurs and consultants who in the last six months decided to move back to their families in tier II and III cities without having to compromise on career.

Pramod N Patil (40), a content writer on specialty chemicals, too has a similar story. Patil moved back to Nashik, his hometown, from Vapi (Gujarat) where he is employed in a pharmaceuticals company.

"I moved into a 3-BHK ground floor apartment with study, in a gated society, with family during Navratras. It's better this way as I have to report to work only 3-4 times in a

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*Assessment of Tier II cities is based on outer MMR, Surat, Vadodara, Jaipur, Bhopal, Chandigarh, Lucknow, Patna, Nashik, Raipur, Nagpur, Rajkot, Bhubaneswar, Vijayawada, outer Pune, Goa, Indore, Thiruvananthapuram, Coimbatore, Guwahati, Dehradun, Cochin, Mangalore, Vizag, Kanpur, Ludhiana, Meerut, Tirupur and outer Bengaluru ** Top gainers in Tier II: Patna, Trivandrum, Rajkot, Nagpur and outer Pune
Source: Liases Foras

Lockdowns and health concerns due to Covid-19 coupled with company's opting for WFH is further fuelling this trend.

"If you analyse residential sales from 2014 to 2019, tier I cities grew at 28%, but tier II grew faster at 51%.

This is largely as tier II cities got better traction from government schemes like Pradhan Mantri Awas Yojana (Urban).

Kapoor said professionals who have spent five-six years in service would be more prone to moving back to their home towns, if economic condition permits.

“Those having lived 10-15 years in a city would face issues like children’s education, etc. that could deter them. They are more likely to purchase a bigger house,” he added.

DLF’s senior executive director (sales and marketing), Aakash Ohri agrees.

“Pandemic has accelerated sales in smaller cities because some of these living spaces are available in developed and habituated townships. Demand for condos and integrated townships in Tier II cities has also seen a surge, with increased need of safer environment and amenities within gated communities,” he added.

Ohri said DLF recently launched a limited number of 188 plots for sale (ground and two floors) in its township, DLF Hyde Park in New Chandigarh, for which it received enquiries from NRIs in Canada and UK.

Similarly, in June, DLF received an overwhelming response for the launch of its Economically Weaker Sections (EWS) and Low-Income Group (LIG) units in Garden city, Lucknow with number of applications almost double the stock.

Anand Singhania, a leading developer from Chhattisgarh said, “People especially in-service sector are looking at shifting back as they feel they can find work in the city, even though salary is lesser than big cities. Raipur now has a

Going ahead, [Emami Realty](#)'s managing director & CEO, Nitesh Kumar said as many organisations are planning to continue work from home and policies like Atmanirbhar Bharat and [Make in India](#) will create opportunities in tier II & III cities. Reverse migration is also likely to continue for some time so demand in these cities will increase.

“At Emami Realty, we have several plans for Tier II and III cities. During Covid, we launched our residential project in Jhansi which received good response. Within 100 days we got 100 bookings, which is fantastic in a city like Jhansi,” he added.



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